



NEWS

MANITOBA CONTINUES TO BENEFIT FROM A WELL-DIVERSIFIED ECONOMY, SAYS RBC

TORONTO, July 3, 2008 — Manitoba will be among the provincial growth leaders this year, with its economy expected to expand by 2.7 per cent for 2008, according to the latest provincial economic outlook released today by RBC.

“The province is enjoying the fruits of a well-diversified economy,” said Craig Wright, senior vice-president and chief economist, RBC. “With solid capital spending in several key projects, a stable and broad manufacturing sector and strong labour market, Manitoba’s economy is well-positioned for growth over the next few years.”

Manitoba has a solid line-up of sizeable capital projects already underway including the expansion of the Red River Floodway, enhancements to the Winnipeg International Airport and the development of the Wuskwatim hydroelectric dam. According to the Private and Public Investment Intentions survey released earlier this year, Manitoba was expected to be the 2008 provincial leader in capital spending, with a planned increase of almost 20 per cent. These projects will also benefit the province’s job market, as employment growth is expected to surpass last year’s 1.6 per cent advance. Job creation will be further bolstered by the commodity boom, specifically in the metals and grains sectors.

Despite the strong Canadian dollar and high energy costs that have broadly hurt the manufacturing sector across the country, Manitoba factories are less exposed to the biggest trouble spots. For instance, the province’s transportation equipment industry is primarily focused on aircraft and public transit buses where demand is holding up reasonably well unlike the sharp downturn in the automotive sector that is hurting Ontario’s economy.

“A resilient manufacturing sector and continued commodities boom should support strong employment and economic growth going forward into 2009,” noted Wright.

The main theme of the Provincial Outlook continues to be the different paths the Eastern and Western parts of the country are taking. Record-high commodity prices and strong global demand for resources sustain unprecedented prosperity in the Western provinces, while the strong Canadian dollar, downturn in the U.S. economy and high energy prices continue to cause hardship in key sectors in provinces east of Manitoba. Saskatchewan is projected to lead all of the provinces in economic growth for both 2008 and 2009, followed by Alberta, while Newfoundland and Labrador and Ontario are expected to lag the group this year, but should show some improvement next year.

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The RBC Economics Provincial Outlook assesses the provinces according to economic growth, employment growth, unemployment rates, personal income growth, retail sales, housing starts, and the Consumer Price Index.

According to the report (available online as of 8 a.m. E.D.T., at www.rbc.com/economics/market/pdf/provfcst.pdf), provincial forecast details are as follows:

	Real GDP			Housing starts			Retail sales			Employment			CPI		
	07	08	09	Thousands			07	08	09	07	08	09	07	08	09
NFLD.	9.1	0.2	1.3	2.6	2.6	2.0	8.9	6.0	2.0	0.6	2.0	0.5	1.5	2.5	1.4
P.E.I.	2.0	1.2	1.6	0.8	0.7	0.6	7.7	4.5	3.7	1.0	1.3	0.3	1.8	3.2	1.5
N.S.	1.6	2.0	2.4	4.8	4.7	4.0	4.2	5.5	4.5	1.3	1.0	1.9	1.9	3.0	1.6
N.B.	1.6	2.0	2.5	4.2	4.2	3.4	5.7	4.6	4.0	2.1	1.6	1.0	1.9	1.8	1.5
QUE.	2.4	1.0	2.3	48.6	47.1	40.0	4.6	4.3	4.4	2.3	1.4	1.3	1.6	2.2	1.4
ONT.	2.1	0.7	2.2	68.1	68.7	59.3	3.9	4.4	4.5	1.6	1.5	1.3	1.8	2.0	1.5
MAN.	3.3	2.7	2.7	5.7	5.9	4.5	8.8	8.5	7.0	1.6	2.1	1.7	2.0	2.0	1.5
SASK.	2.8	3.7	3.8	6.0	6.6	4.5	13.0	12.0	11.0	2.1	2.4	2.3	2.8	3.4	2.6
ALTA.	3.3	3.1	3.0	48.3	38.3	35.1	9.3	4.5	7.0	4.7	3.0	2.1	5.0	3.3	2.5
B.C.	3.1	2.2	2.9	39.2	37.2	30.5	6.7	4.5	7.5	3.2	2.6	2.5	1.8	2.0	1.5
CANADA	2.7	1.4	2.5	228	216	184	5.8	5.2	5.6	2.3	1.9	1.6	2.1	2.3	1.6

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